



## Bipartisan Approach to Tax Reform

**Governor Dayton's tax reform proposal includes items supported by governors, legislators, and stakeholders from across the political spectrum. It incorporates provisions recommended by commissions comprised of CEOs and business leaders, and includes ideas from labor and non-profit groups.**

» **Cutting sales tax rate and broadening the base.** The Governor's budget cuts the sales tax rate by 20% while broadening the base to include more goods and services. Minnesota governors from every political party have received recommendations to expand the sales tax base for the last 30 years.

- Governor Pawlenty's 21<sup>st</sup> Century Tax Reform Commissioner Report
- Governor Ventura's 2002 Biennial Budget
- Governor Carlson's Model Revenue System for Minnesota
- Governor Perpich's Latimer Commission Report

» **Helping Main Street Businesses Compete with Online Retailers.** The Governor's E-Fairness proposal levels the playing field for Minnesota businesses that compete with online retailers. Many leaders in the business community and legislators from both parties see this as a way to put Minnesota businesses on equal footing with online retailers.

» **Cutting the Corporate Tax Rate.** The Governor's proposal reduces the corporate tax rate from 9.8% to 8.4%. Lowering the corporate tax rate was proposed by a bipartisan group of legislators 2011, and is supported by the Minnesota Chamber of Commerce as a way to increase investment and entrepreneurial activity.

» **Upfront Sales Tax Exemption for Capital Equipment.** Under the Governor's proposal, businesses would receive an upfront sales tax exemption when purchasing equipment for their business. This provision has long been supported by members of both parties and was part of Governor Pawlenty's 21<sup>st</sup> Century Tax Reform Commission recommendations. Republican legislators included the upfront sales tax exemption in their tax bill in 2012.